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A SMUGGLER'S EXILE: S.M. SWENSON FLEES TEXAS

by Richard Moore

Texas was not a safe home for many loyal unionists who decided to stay there during the Civil War. In North Texas, dozens of unionists were hanged, and in one of the little-mentioned atrocities of the war German settlers attempting to escape to Mexico from the San Antonio area were attacked and annihilated near Comfort, Texas. Individual unionists such as Andrew J. Hamilton, John C. Brackenridge, and Edmund J. Davis fled to save their lives, and those who remained faced the ever present threat of property confiscation, conscription into the Confederate army, and, perhaps, terror-filled visits from the Knights of the Golden Circle.

One unionist who left Texas in 1863 because he believed his life to be in danger was S.M. Swenson. Born in Sweden, he had immigrated to Texas soon after its revolution, and in the period before the Civil War he used his entrepreneurial skill and ability to know the right people to amass a fortune. He strongly opposed Texas' secession, and pledged \$50,000 to help Sam Houston raise an army to keep Texas in the Union. In gratitude, Houston commissioned Swenson a colonel. Loyal as he was, however, Swenson had no sympathy for the "Black Republicans" whom he thought to be just as dangerous to the security of the Union as the secessionists.¹

After the war began, Swenson continued to reside in Austin where he was in partnership with J.M. Swisher in a mercantile business. Making no secret of his continued loyalty to the Union, he steadfastly refused to support the Confederacy. As the war became more intense and the Confederate cause became more desperate, pressure for conformity on the homefront increased and loyal unionists found hostility toward them growing. Because of harassment and fears for his life, Swenson left his family and fled to Mexico in November 1863.

This is what Swenson's biographers unanimously agree happened. A closer look at the evidence, however, reveals contradictory statements about the actual cause for his leaving, and suggests that in addition to Confederate harassment, there might be another, more compelling, reason for his voyage to Mexico.²

The atrocious treatment of unionists in Texas by their rebel neighbors makes it plausible to accept Swenson's explanation for his self-imposed exile. But Swenson was not an ordinary unionist. He knew the right people, and although he was a loyalist who "firmly refused every voluntary act in aid of the rebellion," who declared that he "would never take up arms against the U.S., either in person or substitute," he seems to have received special treatment from Texas Confederate officials.³

In the summer of 1862, Swenson obtained permission from Governor Francis Lubbock to visit New Orleans, then occupied by Union troops, for the purpose of acquiring information about his wife's rebel brother who was ill and confined in a prison camp. On his return he "found great excitement" because of his visit and was arrested in Houston. After showing the authorities written permission to travel from Lubbock, he was released but was examined again in Austin by a provost marshal, and "came off more triumphant than I wished." Soon afterwards he asked for permission to go to the hot springs in Monterrey, Mexico, because of an acute attack of rheumatism. His request was denied, although subsequently he was allowed to go to Hot Springs, Arkansas, where he spent two months during the winter of 1862. Swenson's baths were successful temporarily, and he returned to Texas where he was "kept under observation," but otherwise "permitted to live unmolested." It is obvious that in comparison to the rough handling of other unionists in Texas, Swenson was given preferential treatment. Why then, did he feel compelled to leave?⁴

According to August Anderson, author of *Hyphenated, The Life Story of S.M. Swenson*, the Swedish businessman left because he overheard threats on his life from a gang of lynchers and narrowly escaped their pursuit. He decided to leave Texas, but not wishing to alarm his family, he admonished his business partner, Svante Palm, "Remember . . . my wife must always think that I went [to Mexico] for my rheumatism, as well as everybody else." On the other hand, Swenson confided to his lawyer, William Pierson, that he left because of orders emanating from General John Bankhead McGruder's office that unionists should be arrested and imprisoned. Although the order "did not seriously alarm me," he wrote, it did frighten his wife and his friends. After receiving a certificate of military disability for military service, and permission to go to Mexico, he left Texas by way of San Antonio and Brownsville.⁵

Pierson's recollection of Swenson's departure was that his friend had learned from a credible witness that a "conclave of rebels" had determined that he should die, and Swenson secretly made his escape to Mexico. Swenson, however, wrote to his wife that his trip to Brownsville was made "without any remarkable features contrary to ordinary travel," and that Colonel James Duff, Commander of Confederate troops in Brownsville, and a close personal friend, "very kindly granted . . . a permit to cross the river with our mules and ambulances." He later lamented that there was a better route to the border than the one he had taken, but he did not mention any need for haste or the danger of pursuit.⁶

Without depreciating the possible threats to Swenson's freedom or his life, a more plausible explanation for his trip to Mexico in November 1863, rather than at some earlier or later date, involves the progress of the Civil War and Swenson's participation in the international cotton trade.

The role of Texas in the Confederacy changed considerably when

Vicksburg fell in 1863, because at least one part of General Winfield Scott's Anaconda Plan was complete — the Mississippi River was under Federal control and Texas, with its vital supplies of corn, wheat, and cattle, and its valuable land border with Mexico, was isolated. Until then, Swenson's business remained normal for wartime. "All is well," he wrote his cousin Carl on July 9, 1863, "no news, except rumours (*sic*) are rife that Vicksburg is taken by the enemy," a curious term for a loyal unionist to use. He also heard rumors of a possible Union invasion of the Red River valley, an area where Swenson had pending an important purchase of cotton.⁷

Swenson was the agent for C. Edward Habicht, Consul General of Sweden and Norway of New York, who had agreed to purchase 4,700 bales of cotton from C.G. Alexander of Bonham, in Fannin County, Texas. Alexander would be responsible for conveying the cotton to where the Swedish Consul could receive it, and the Consul, in turn, would give notice to the civil and military authorities of the United States and "as far as practicable, the civil and military authorities holding actual possession of the places in which said cotton is situated," of his ownership of the cotton to prevent its seizure by the military, "or any violent and illegal party or set of men." When Habicht disposed of the cotton in some European port, Alexander would get nine-tenths of the proceeds.⁸

This massive transaction, difficult to complete under wartime conditions, was endangered further by the changed complexion of the war. On one hand, an immediate invasion of North Texas by Federal troops might lead to confiscation of the cotton before it could be shipped. On the other, the fall of Vicksburg brought news of more desperate measures by the Texas Confederates. "I will not speak of the war and its hardships on humanity," Swenson wrote his brother John, "but I can tell you that now all property belongs to the state and laws are made to enforce this barbaric idea." The only property interests that were respected, he added, were "those of foreigners and especially those of European descent."⁹

His anxiety was justified because he had a significant investment in the transaction himself, and his role in the cotton sale provides an insight into the underground trade of Texas cotton during the war. Actually the Swedish Consul owned only one-tenth of the purchased cotton, and he was using his home to help Swenson smuggle the staple out of Texas. Habicht would be rewarded with one-half of the profits which Swenson estimated would be at least \$25,000. If Texas Confederates were suspicious of Swenson, they had good reason.¹⁰

Habicht was busy in Washington. When he received notice from Swenson of the purchase of the Alexander cotton, he immediately contacted his attorney, who also was employed by Secretary of the Treasury Salmon Chase, and asked his aid to get Chase to protect the property and grant permission to move it to shipping ports. "You will perceive that there will be no difficulty in procuring protection from the United States authorities who do all that can be desired in furthering the interests of

loyal citizens and noncombatant foreigners," he wrote Swenson. David Dudley Field, Habicht's lawyer, told Secretary Chase that Swenson was a Swedish subject, loyal to the United States, who had been an agent for the Swedish Consul since 1858 with orders to invest Habicht's capital in cotton to ship to Europe.¹¹

For his part, Swenson was supposed to send the cotton "by the best and surest route" to the Mississippi River so it could be transshipped to Havana. He would be assisted by a special agent sent to New Orleans who would hire several river craft to bring the cotton to that city. The operation was planned meticulously in correspondence between Habicht and Swenson in October 1863, even to the design of the Swedish flag that was to be placed on the bales on cotton.¹²

The shipment of 4,400 bales of cotton was a formidable task, especially since both the Union and the Confederacy were threatening to erect barriers to its passage. Swenson, efficient businessman as his past and future performance attested, did not allow loose ends to go untied. "Perhaps I had better go myself to Brownsville in order to expedite the whole matter," he wrote to Alexander. His caution was occasioned by a report "that at a late meeting of Governors, Generals, etc., it was determined that an impressment should be made of all cotton west of the Mississippi River." He resolved to see Governor Lubbock to ascertain the truth of the matter and, "if true, I will as agent of Mr. Habicht notify the Governors of Texas and Louisiana, and General Kirby Smith of the ownership, etc., of the cotton in order that it may not be claimed that the government officers were ignorant of the true ownership thereof — and should it become necessary, I will also act in respect to the acts of an invading foe."¹³

He arrived at Matamoros shortly before Federal troops landed at Port Isabel, twenty-five miles away. The resultant chaos in Brownsville was described in a letter to his wife: "I went to the river opposite Brownsville and remained there three or four hours viewing the bustle and confusion attendant on the evacuation of the town. In Brownsville I could see the precipitate haste, and two ferryboats, and three skiffs continually crossing: cotton, merchandise in every shape, some in open boxes, in barrels, tied in sheets, and some loose; furniture, women, children, Jews, cradles, clocks, crockery, utensils, the all in a jumble. Only the men and teams were detained (except Jews whom I suppose are either not considered men or else endowed with superior privilege and immunities.) I understand similar exertions kept up all night, and this morning the stream of movables and noncombatants are still pouring into this hospitable city."¹⁴

One might ask what effect the "precipitate" flight of Texas emigres had on Swenson? Would a practical businessman go back into Texas at the earliest opportunity, or would he take advantage of his exile to associate himself with the winning side of the war, and use his contacts within Texas to further promote the licit, and perhaps, illicit, flow of cotton from Texas

Swenson's Perception of the Situation!
 Did He Go to Mexico (and
 then to Brownsville)?
 He was in Brownsville
 when the Federal troops
 landed at Port Isabel.

HA!

into its European and American markets? Whatever his motives, Swenson chose not to come back to Texas. He did, however, continue his multi-faceted business operations.

The fate of the Alexander cotton transaction remains unknown. One writer, who only casually mentions the episode, assures us that the transaction was successful but does not provide details about how the complicated transportation of 4,400 bales of cotton down the Red River to Texas ports occurred or how this shipment escaped Confederate authorities, or how it was received by neutral shippers.

Swenson used his hegira to Mexico to visit the medicinal springs at Monterrey, and, as one might expect, to ingratiate himself with various Mexican leaders. In August 1864 he was in New Orleans where he was in daily communications with other Texas refugees such as Judge T.H. Duval, Judge John Hancock, and future Reconstruction governor, Andrew J. Hamilton. From these exiles he learned that in Texas "the military are said to be more despotic than ever — the people praying for peace the most of them not caring who wins — so peace be the result."¹⁵

The war would not last much longer, but Swenson did not have time to wait. He was impatient to continue his business activities, and perhaps, to conclude the transaction he had begun a year earlier in Fannin County. On August 9, 1864, President Abraham Lincoln sent a directive to Major General Edward R. Canby stating that "for satisfactory reasons which concern public service, I have to direct that, if Andrew J. Hamilton or any person authorized in writing by him shall come out of either of the ports of Galveston or Sabine Pass with any vessel or vessels freighted with cotton, shipped to the agent of the Treasury Department at New Orleans, the passage of such person, vessels and cargoes shall not be molested or hindered, but they shall be permitted to pass to the hands of such consignee." Hamilton "constituted" Swenson, C.A. Weed, and W.C. Philips as his agents, and on September 15th, the president's letter and Hamilton's addendum was received by Rear Admiral D.G. Farragut, who forwarded it to the commanding officer of the Texas division.¹⁶

Armed with such impressive credentials, Swenson left New Orleans on September 26 aboard the *Arkansas* for the coast of Texas "with a view to transact some business of great importance both individually and for the general good." Unfortunately, bad luck plagued him. Soon after the *Arkansas* reached the Gulf, yellow fever struck the ship's crew and Swenson could not transfer to any of the ships blockading the coast of Texas. His ultimate destination was Sabine Pass, but he first had to go to Matamoros, Mexico. On his return to Texas, he again was refused landing privileges because of the plague, and his mission failed.¹⁷

Other attempts to return to Texas failed because of the uncompromising Confederate rules, but Swenson did not abandon his quest to get cotton out of Texas. On learning, so he believed, that the government of the

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United States was considering the propriety of trading with the “people of the insurrectionary states” for cotton, Swenson wrote to Pierson that he thought “much benefit would accrue” because to reopen trade “would undoubtedly do much to remind the oppressed in those states of the good old government . . . and mild rule . . . I have no doubt,” he added, “that large, legitimate and honorable profits will accrue” to agents who would be appointed by the Secretary of the Treasury.¹⁸

Nothing came of this venture, but Swenson was not idle. With William Perkins he established a large mercantile business in New Orleans and invested in Louisiana sugar plantations. When the war ended he took his family out of Texas to New York where he established the banking house of S.M. Swenson and Sons. Later he took an active interest in the development of the S.M.S. Ranches in West Texas.¹⁹

The final result of Swenson’s attempt to smuggle the Alexander cotton out of Texas under the Swedish flag is not known, although two of his biographers assume the cotton reached its destination. Swenson’s references to the deal in his various communications are cryptic, both because of the exigencies caused by the war and because he was the type of businessman who did not volunteer information about his transactions to those not directly concerned. What can be concluded from available evidence is this sequence of events: 1) Swenson purchased 4,400 bales of cotton from C.G. Alexander of Bonham, using Swedish Consul General Habicht as a front to give the cotton the protection of a foreign flag; 2) Habicht arranged with Secretary of the Treasury Salmon P. Chase for safe passage of the cotton once it reached Union territory near the mouth of the Sabine River; 3) Swenson increasingly became concerned about the safety of the cotton, and announced he might have to leave Texas to expedite its passage; 4) he did leave Texas soon afterwards; 5) and he made at least two attempts to go from New Orleans to Texas for “Business of great importance both individually and for the general good.”

The mistreatment of Texas unionists makes plausible the assertion that Swenson left Texas to prevent his arrest, or even his murder. But he enjoyed special considerations from Texas Confederates as his trips to New Orleans and Arkansas indicate, and his official permission to go to Mexico in November 1863 proves that he was in no immediate danger of arrest. His understandable desire to complete a business transaction that would profit him at least \$25,000 is a more reasonable explanation for his departure, and the sequence of events in October and November 1863 tend to substantiate it.

NOTES

¹⁸W.S. Pierson to Brig. General James A. Ekin, October 17, 1868, Pierson (William S.) Collection; Swenson, S.M. Papers, Correspondence, 1868. “Resolution: Supporting Sam Houston for Governor and A.J. Hamilton for Congress.” Svante Palm Papers and Manuscripts. Both of these collections are located in the Eugene C. Barker History Collection, University of Texas, Austin, Texas.

²See August Anderson, *Hyphenated, or The Life Story of S.M. Swenson* (Austin, 1916), and "S.M. Swenson and the Development of the S.M.S. Ranches" (unpublished M.A. Thesis, Thesis, University of Texas, 1960).

³S.M. Swenson to William S. Pierson, April 13, 1864, Pierson Collection, Swenson Correspondence, 1864-1867.

⁴S.M. Swenson to William S. Pierson, April 13, 1864, Pierson Collection, Swenson Correspondence, 1864-1867.

⁵Anderson, *Hyphenated*, p. 208. S.M. Swenson to W.S. Pierson New York, April 13, 1864, Pierson Collection.

⁶Pierson to Ekin, cited above. S.M. Swenson to his wife, Matamoros, November 3, 1863, Swenson, S.M., Papers, Eugene Barker History Collection.

⁷S.M. Swenson to Cousin Carl, July 9, 1863, Svante Palm Papers, Letterpress, 1862-1874, I, p. 67, Barker History Collection. S.M. Swenson to C.G. Alexander, Bonham, Texas, September 7, 1863, Swenson-Palm Letter Book, I, p. 83, Barker History Collection.

⁸Svante Palm Papers, Letterpress, p. 68.

⁹S.M. Swenson to his brother John, August 15, 1863, Swenson-Palm Letterbook, p. 74.

¹⁰S.M. Swenson to his brother John, August 15, 1863, Swenson-Palm Letterbook, p. 74. Suspicions could be allayed by bribery. In a letter to Pierson, Swenson recorded a transaction between Alexander and General Kirby Smith in which Kirby Smith guaranteed that Alexander cotton would not be impressed or destroyed in exchange of a swap of gold for Confederate money to the extent of one-third of the value of the cotton. Swenson to Pierson, June 14, 1866, Pierson Collection.

¹¹Habicht to Swenson, November 19, 1863, Swenson Papers.

¹²Swenson to Alexander, August 10, 1863, Swenson-Palm Letterbook, I, p. 68.

¹³Swenson to Alexander, September 7, 1863, Swenson-Palm Letterbook, I, p. 73.

¹⁴Swenson to his wife, November 3, 1863, Swenson Papers.

¹⁵Swenson to his wife, November 3, 1863, Swenson Papers.

¹⁶Copy of a letter from Abraham Lincoln to Mayor General Edward R.S. Canby, August 9, 1864, Pierson Collection. In a copy of another letter from Rear Admiral D.A. Farragut to General Canby, Farragut acknowledged that "I am in receipt of your communication of the 13th inst . . . directing a free passage to vessels coming out of Galveston or Sabine Pass, sent out by or under the authority of Andrew J. Hamilton to New Orleans, La." Farragut to Canby, September 15, 1864, Pierson Collection.

¹⁷Swenson to Pierson, October 16, 1864; Swenson to Pierson, October 31, 1864, Pierson Collection.

¹⁸Swenson to Pierson, November 14, 1864, Pierson Collection.

¹⁹Swenson to Pierson, July 24, 1865, Pierson Collection.